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ABSTRACT

This paper presents the most notorious decentralization and privatization policies of education delivery included in the 1995-2005 education reform plan and briefly explains some of the factors justifying their existence, potential success, and possible limitations. It also examines the capacity of a privatization strategy, contracting not-for-profit parents' associations to administer schools financed by the state, to improve education in rural areas (The EDUCO program). The author concludes that decentralization and privatization policies have produced multiple results. In the search for a better education system, decentralization and privatization policies have not only given the Salvadoran government new ways to exert control over the education system but also added new problems and challenges. In the case of the EDUCO program, for instance, although it has successfully contributed to expanding education supply and promoting social cohesion, its impact on equity and the productive efficiency of schooling may not be what is expected. Therefore, decentralization and privatization strategies, like any other policies, have had their pros and cons. There may never be a perfect policy to solve satisfactorily all weaknesses within an education system, but education advocates and policymakers should always be committed to review and improve existing practices. (Contains 37 references.) (Author/RT)

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Teachers College, Columbia University

Decentralization and Privatization of Education in El Salvador: Assessing the Experience

Helga Cúellar Marchelli

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Abstract – This paper presents the most notorious decentralization and privatization policies of education delivery included in the 1995-2005 education reform plan and briefly explain some of the factors justifying their existence, potential success, and possible limitations. Based on existing evidence, it also examines the capacity of a privatization strategy, contracting not-for-profit parents' associations to administer schools financed by the state, to improve education in rural areas (The EDUCO program). The author concludes that decentralization and privatization policies have produced multiple results. In the search for a better education system, decentralization and privatization policies have not only given the Salvadoran government new ways to exert control over the education system but also added new problems and challenges. In the case of the EDUCO program, for instance, although it has successfully contributed to expanding education supply and promoting social cohesion, its impact on equity and the productive efficiency of schooling may not be like the one expected. Therefore, decentralization and privatization strategies, like any other policies, have had their pros and their cons. There may never be a perfect policy to solve satisfactorily all weaknesses within an education system; but education advocates and policymakers should always be committed to review existing practices and improve them.

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1. Introduction

Since two decades ago, many Latin American countries have been engaged in different processes to decentralize their education systems. Some of the reasons that may explain this trend are related to greater fiscal constraints, the emergence of more democratic societies and the belief that the most efficient public services are those where the state does not concentrate decision-making power. Additionally, in the past few years, the increasing dominance of market economies in many countries has gradually changed the distribution of responsibilities between the state and the private sector in the delivery and/or financing of education services. Thus, today, it is not surprising that both decentralization and privatization strategies are regarded as some of the major policies to reform education systems in the region. The Salvadoran case is not the exception.

During the 1990s, the government of El Salvador, a Central American country, began transforming the role of the state in the delivery of education services by giving the private sector greater participation in the management of public education institutions. This experience, which started at a very small scale, has now become the most important scheme to expand education access, improve education quality and enhance efficiency in service provision and financing. Decentralization and privatization policies are fundamental in the implementation of the ten-years' reform plan launched by the Ministry of Education in 1995. But, what are the potential benefits and limitations of such policies in El Salvador? To what extent could these policies be fully instrumental to achieve greater productive efficiency, equity, access and social cohesion as it has been expected?

To answer these questions, first, I have considered important to specify how decentralization and privatization are here conceptualized. I will also provide an overview of the major decentralization and privatization policies promoted through current education reform efforts, explain some of the factors justifying their existence, and briefly mention some of the elements associated to their potential success and limitations. Subsequently, based on existing evidence, I will reflect on the capacity of a particular privatization strategy, contracting not-for-profit parents'

associations to administer schools financed by the state, to improve education in rural areas. My views on the overall decentralization and privatization experience in El Salvador's education reform will follow.

2. Defining decentralization and privatization in education

Decentralization is often defined as the transfer of decision-making authority, responsibility and tasks from the central government to a sub-national agency (Kemerer 1994). The underlying principle is that centralized services are not capable enough to respond effectively to local demands for education because they are often built over highly bureaucratic structures that tend to be costly and not very transparent in the administration of public funds. Decentralized services, on the contrary, are expected to improve decision-making, allocate resources more efficiently, and hence report higher quality levels. In addition, by sharing responsibilities over the financing and/or management of schools, power is redistributed and democratic institutions are promoted.

Commonly, three types of decentralization are found in the literature on this topic: *Deconcentration*, when responsibilities are transferred to lower levels within the central government and tasks but limited authority is relocated at different levels and points in the national territory. *Delegation*, when decision-making power over certain functions is given to other government units although they cannot act independently. *Devolution*, if there is a transfer of authority to a different public unit that can act independently (Di Gropello, 1999). Manor (1999) prefers to exclude "delegation" from this typology of decentralization because it has barely been practiced and it has mostly been unsuccessful. Instead, he adds *fiscal decentralization*, which is the act by which higher levels in a system cede influence over budgets and financial decisions to lower levels.

Decentralization may turn into *privatization* when responsibility and resources are transferred from the public to the private sector (Hanson 1998). Privatization in education is aimed at reducing the participation of the state in the provision, financing and/or control of educational services to improve its quality, efficiency and effectiveness. Unlike decentralization, by moving responsibilities

out of the public sector, privatization relies mostly on the ways of the private sector to improve education services. It refers to the implementation of market-oriented strategies to optimize schooling while maximizing public and private benefits of education. Clearly, there cannot be privatization in education without decentralization, i.e. without redistributing decision-making power; but the former requires greater participation of the private sector (either profit or non-profit) in an area where the state has always had a prominent role.

Privatization has its own purposes and by itself may adopt multiple forms. Murphy (1996) makes a distinction between the micro and macro level objectives of privatization. At the micro level, privatization is a means by which greater efficiency in terms of reduced costs and better quality may be achieved. At the macro level, privatization may contribute to the depoliticization of economic decisions, improve economic performance, reducing the size of the public sector, and decrease public spending. Some privatization strategies may also promote choice in education by giving parents and students the option to select the school of their choice.

Privatization strategies and degrees of privatization vary depending on who owns, manages and/or finances education. It has also been adverted to that there may also be variations in the way privatization is understood between different education systems; and, for the purposes of comparisons it should be defined in a broad sense (Walford 1999). In its pure form, both public and private schools are owned, managed and financed by only one entity; either the state, if a school is public, or a parents' association, business, non-profit organization or a religious institution, if the school is private. The problem, nevertheless, is that among different education systems, there may be various ways to define what is considered either public or private. In spite of that fact, in any education system, privatization in education implies a movement towards more private and less public schooling in at least one of the following dimensions: the provision, financing, and management of education. When public education is privatized, at least one of these three

dimensions is not under total government control and responsibilities between public and private sectors over education are shared. The most common initiatives of this type refer to the use of government voucher schemes or subsidies to finance student's education in private schools, contracting out private institutions to provide services to public schools, and the creation of independent schools financed by the state. The more private participation in the provision, financing and/or management of education, the more privatization there would be. Thus, in its extreme form, privatization would be associated to the total transfer of public responsibilities over education to the private sector.

The expected benefits from both decentralization and privatization are basically the same although they are achieved in different ways. Theoretically, less centralization and privatization in the provision and/or financing of education is conducive to greater efficiency, responsiveness to local demands, improvements in education quality and higher levels of participation in decision-making processes. In practice, however, there is not conclusive evidence showing the extent of some of these benefits. It is very uncertain what the real capacity of these policies is to enhance academic achievement and learning (Hanson 1997, Brown 1994). Moreover, both decentralization and privatization have often been considered to be prone to generate inequities, greater disparities in the quality of services provided across different regions, and modest increases in the efficiency of public expenditures over the long run (Whitty and Power 2000; Arnove, 1997; Prawda 1993).

There are many mechanisms to decentralize and privatize education and they may have different impacts on equity, quality and efficiency. Indeed, their mixed effects may depend on the way policies have been designed and implemented in a specific socio-economic and cultural context. Following, there is a review of such policies as they have been implemented in El Salvador and a brief account of their actual and expected results.

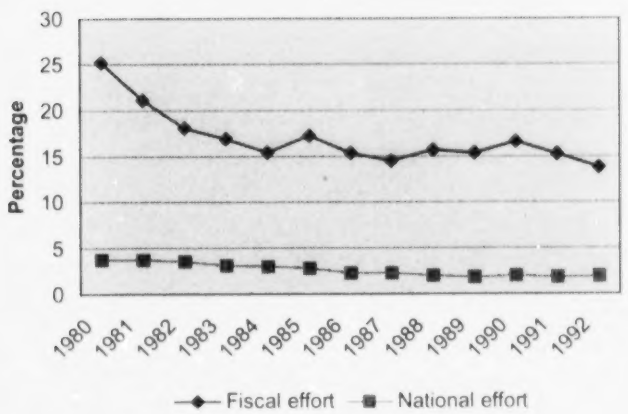
3. Decentralization, privatization and education reform in El Salvador

3.1. Antecedents

Ten years ago, the word "reform" emerged in Salvadoran education as a key to solve problems of access, equity, efficiency and quality that were exacerbated during the civil war period, from 1980 to 1992. While education demands increased, the war drained most of the economic resources to the point that investments in social services were dramatically diminished. As shown in Figure 1, Public expenditures in education as a percentage of the Gross Domestic Product (National effort) reduced to half, from 3.7% in '980 to 1.9% in 1992. And, public expenditures in education as a percentage of total government expenditures (fiscal effort) decreased from 25% to 13.8%. The detriment in the quality of schooling was imminent, especially considering that about 97% of the education budget covered only personnel costs.

Figure 1

Public expenditures on education 1980-1992



Source: Ministry of Education, El Salvador

Although reduced investments in education had an effect on all levels, its social costs were soaring at the lower grades of schooling. About 25% of children in age to attend primary education were out of the system in 1992. Repetition and attrition rates at that level were about 6.9% and 10.5% respectively. It was also estimated that about 68% of children had no access to pre-school

education; and, only 32 out of 100 children were expected to finish primary education and much less to continue up to higher education. Gross enrollments in secondary education were only 27%. In addition, low net enrollments in education were concentrated in rural areas where about 40% of the population did not have any year of formal education and only 14% had more than 6 years of schooling. The lack of schools in rural areas in tandem with the socioeconomic characteristics of demand, made access to education for the poor a costly alternative. From the poorest 20% of the population, 7.02% had no schooling, and less than 1% was able to complete high school. Economic reasons and early entrance to workforce were the most common reasons precluding rural children to pursue education (Dewees et al, 1994).

Finally, the centralized system of education delivery seemed unable to respond adequately and efficiently to existing needs. Policymaking and implementation procedures were always assumed by the central government. Financial and material resources flowed from the top to the bottom of the structure without paying much attention to local needs and demands. Authorities often lacked of accurate information to base their decisions and wastage and misallocation of resources made the education apparatus to be inefficient. Difficulties in managing the system were added to the existence of a national curriculum that was no longer responsive to the new demands of the economy and society.

A serious transformation of the education system was needed but, facing serious economic constraints, this was a challenge. At that time, it was perceived that only by changing the administrative organization, the delivery and the economy of education such transformation could be possible.

3.2. The first initiatives of reform

Towards the end of the civil war, the Ministry of Education (MINED) began a process to transform the education system. This action was part of an evolving initiative to modernize public administration and make it more cost-effective and participatory within the framework of a national

decentralization and privatization strategy. The government gave gradually more decision-making power to the municipalities and started a process to privatize some public services[1]. The goal was to gain flexibility and efficiency in the provision of public services to civil society by decentralizing responsibilities within government and increasing private sector's contributions. In the education sector, the goal was to find new mechanisms to improve education access and quality while encouraging municipalities, non-governmental organizations and parents among other private agents to be actively involved in educational affairs.

Decentralization and privatization initiatives, however, were not totally new strategies to transform the way education was organized. During the 1980s, for instance, MINED had already started a deconcentration process to transfer decision-making power to the eastern, central and western regions; but they lacked real authority, funds and qualified personnel to be fully functional. The economic constraints and the civil war prevented the government to transfer all responsibilities to the regions; and, although, the regional offices existed, the central office kept control over all decisions and tasks.

In addition to this first decentralization attempt, the provision of teacher education, which for more than a decade was a unique responsibility of the state, was practically transferred to the private sector. For over twelve years, Ciudad Normal Alberto Masferrer was the only teacher-education institution in the country. It was a concrete result of the 1968 education reform and a means by which the teacher profession, severely deteriorated by the proliferation of low-quality private schools and a depressed labor market, could be improved. During the 1980's, this centralized scheme of education delivery was reversed due to political and financial reasons. "Ciudad Normal

[1] The right of municipal autonomy was introduced in the constitution since 1983; subsequently, the government executed several programs to foster the political, economic and social development of the municipalities. However, it was till 1991 that a formal strategy to strengthen the municipalities through decentralization was implemented. The privatization of the banking, telecommunications, energy and pension funds sectors from 1991 to 1998 followed; and, a proposal to privatize the state water company was introduced to the Legislative Assembly in the year 2000

Alberto Masferrer" was considered a center of political activism and an expensive investment for the government at the time of severe fiscal constraints. "Ciudad Normal" was closed and teacher education transferred to public postsecondary technical institutions and thirty-two private universities, which became the major providers. The lack of government regulations and minimum quality standards, nonetheless, caused the creation of diverse number of education programs and an increasing number of poorly educated teachers.

And, on the side of the civil society, private alternatives to public education developed at all education levels. The supply of secondary and higher education was expanded; and, although the public sector continued being the main provider of primary schooling, in some of the poorest communities in the most isolated rural areas, private initiatives also flourished. Organized communities of peasants hired teachers and looked for classroom spaces to create their own schools. The teacher was usually the better-educated member in the community, sometimes with only few grades of elementary education as an academic background. Because the government did not recognize these schools, they operated informally. This phenomenon was known as the "popular education movement"[7] and it was a cr[illegible]nitiative to provide education where the government had failed to do so.

3.3. Policy Strategies

Political and economic reasons as well as changes in the conception of state and its role in the provision of public services created the conditions for a new wave of education reforms in the postwar era. The following policy strategies marked the beginning of the decentralization and privatization process of Salvadoran education during the 1990s:

3.3.1. The administrative reform at the central and regional levels.

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[7] See John L. Hammond (1998). Fighting to learn: Popular education and guerilla war in El Salvador, New Brunswick, Rutgers University Press; and Maria del Carmen Cruz de Salazar (1994). La educacion en la zona norte de Chalatenango. Un aporte innovador de la educacion popular para las areas rurales. Proyectos Sub regionales para el Istmo Centroamericano. UNESCO.

The objective of the administrative reform was to revamp the deconcentration process initiated in the 1980s. The regional offices were given full autonomy and greater technical and financial support to execute education programs; and, the central office was left as a coordinating unit responsible for defining general policies, monitoring and evaluating education. In the same token, the supervision system was strengthened and reorganized into 15 departmental offices and 210 districts across the country. The administrative reorganization also included the creation of new budgeting procedures and the installation of a communication and information system to support decision-making processes at all levels in the hierarchical structure.

3.3.2. The creation of the EDUCO program: Education with community participation

EDUCO was created in 1991 as a major strategy to expand access to preschool and basic education in poor rural areas. Under EDUCO, groups of parents organized in non-profit Community Education Associations (ACE), were responsible for managing schools financed by the state. The program started with a pilot in six communities then extended throughout the country. Its implementation at a large scale was financed with a loan from the World Bank, an institutions that has supported many governments' decentralization and privatization policies extensively. The program design was based on the experience of peasant communities that had created local schools separately from the state. According to the government, communities' private initiative was as an alternative model of education delivery worthy to be improved and replicated. From a critical point of view, on the other hand, the EDUCO program assured government control over the "popular education movement", the rapid expansion of schooling, and greater mobilization of private resources to sustain education efforts. In this regard, the program was politically, ideologically and economically suitable within the dominant ideological framework favoring decentralization and privatization of public services.

3.3.3 The privatization of the *Instituto Centroamericano de Ciencia y Tecnología* (ITCA), a public postsecondary technical institution.

Technical education at the higher education level was no longer responsive to the demands of the new economy and needed to be transformed. ITCA, the older and larger institution, was given priority in that process. Due to budget constraints, however, the government was unable to renovate it and international assistance was sought instead. $14.5 millions were given by the Inter-American Bank to modernize ITCA with the condition of privatizing its administration. In 1990, a fifty-years' contract to manage ITCA was signed by FEPADE[1], a non-profit foundation. Under this contract, the state is mandated to provide an annual subsidy to finance daily operations whereas FEPADE has the obligation of maintaining infrastructure and equipment, foster education quality and defining a strategy for self-sustainability. All other public technical institutions, eight in total, continued being run by the state.

3.3.4. Direct transfer of funds from the central government to schools

Traditionally, the central government was responsible for supplying schools all they needed. Schools lacked the autonomy to decide their priorities and allocate funds accordingly. In an effort to make schools much more accountable for their own operations and be able to have greater control over inputs and outcomes, three small programs to transfer funds from the central government to schools were implemented. The first one, the Education District Funds program (FED), transferred financial resources to selected districts and allowed schools to acquire education material, equipment and services as they need them. The second one was the Educational School Fund (FEE) aimed at financing local school projects proposed by the education community. And, the third one, known as the System of Preventive Maintenance program (SPM), was intended to encourage teachers, parents and school principals to participate actively in maintaining and improving existing school infrastructure (MINED, 1989-1994).

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[1] FEPADE stands for *Federacion de la Empresa Privada para el Desarrollo Educativo*. It is a non-profit foundation created in 1986 by representatives from different private businesses and companies. It is committed to education development and operates as a forum to evaluate national education policy.

The satisfactory results from these two transfer programs, the irreversible modernization of public administration, and the benefits associated to the privatization of educational institutions were the cornerstone of further changes in the way public education would be organized and financed. This became evident through the education reform plan 1995-2005 and its implementation.

The plan 1995-2005

The already initiated decentralization and privatization process within Salvadoran education is formalized through the education reform plan 1995-2005. The plan is the result of an extensive consulting process that involved political parties, business organizations, teachers' unions, universities, and parents among other private sector organizations. Plainly, its major goals are improving education quality and access, strengthening civic education, and increasing equity, efficiency and effectiveness within the system. The concrete objectives, moreover, are efficiency in the allocation of state funds, less teachers' attrition, greater school autonomy, lower illiteracy, truancy and repetition rates as well as higher net enrollment ratios, especially at the preschool and elementary levels in rural areas (MINED, 1995). Overall, the set of policies integrated in the plan has been designed around four major axes: educational expansion, quality improvement, institutional modernization and civic education. They have been tailored to produce a systemic change in the sense of transforming not only the curriculum at all education levels, but also the way education is being provided, financed and managed through decentralization and privatization of education services. For instance, to expand access, improve quality, and enhance the cost-efficiency of education investments, the plan recommends the implementation of new mechanisms of education delivery by encouraging greater participation of parents, local communities and other civil society organizations in the administration of public educational institutions. To modernize public administration in education, deconcentration, delegation and devolution of responsibilities to other government units and lower institutional levels have been boosted. Moreover, to implement many

policy strategies within the plan, MINED has become used to contracting private institutions to do curriculum design, evaluate programs, design standardized testing, in-service teacher training and partake in other education-related activities traditionally conducted by the central administration. In general, the most remarkable decentralization and privatization strategies incorporated in the ten years plan are revised and/or extended versions of policies previously implemented as it is herein explained:

3.3.5. Institutional modernization

The institutional modernization is a continuation of the administrative reform executed at the beginning of the 1990s. It intends to finish converting a highly bureaucratic and centralized administrative apparatus into a decentralized and flexible organization of the education sector. The institutional modernization focuses on redefining governmental responsibilities within the education sector, simplifying administrative procedures and promoting further decentralization at the school level.

Under the reform, MINED is now mainly responsible for central planning, financing as well as assuring adequate levels of equity, access and quality. The regional offices lost relevance and fourteen departmental divisions were created instead. Reforms to MINED's internal regulations, the General Education Law, the Law of the Teacher Profession and the Law of Higher Education accompanied the modernization process.

The lack of adequate information services, qualified human resources and an effective system to monitor schools' quality, however, are some of the factors that weaken the expected benefits of decentralization on improving efficiency and effectiveness within the education system.

3.3.6. Local administration of traditional public schools

Due to the education reform, the administration of public schools is no longer an exclusive responsibility of the state. Within the component of institutional modernization, the education

[4] Schools owned, administered and financed by the state

reform plan also introduced a new model of school organization in all official public schools. They are now managed through a directing board ("Consejo Directivo Escolar", CDE). The school principal, two teachers, three parents and two students integrate the CDE. The principal is always the president and the official representative of MINED inside the school. A teacher is appointed as secretary, and one of the parents is the treasurer. The students should be at least twelve years old to participate in the directing board. As of today, about 3,035 out of 4,800 schools are run by CDEs. By law, they are responsible for defining institutional priorities, planning school activities and administering human and financial resources.

There is a positive view over the administration of public schooling through the CDE and participatory management. The CDE operates under democratic principles and its decisions should focus on improving and expanding education services based on students' needs. The new administration model of traditional public schools is based on EDUCO's experience, where state and local communities are partners in delivering education services. The CDE is accountable for administering state and self-regulated funds, enhancing school quality, maintaining infrastructure and equipment as well as implementing school safety mechanisms. Based on the relative success of programs like FED and SPM to allocate funds to schools, CDEs have now the opportunity to administer state funds transferred as block grants. One of them is a bonus (Bono de la Calidad) that covers minimum current expenditures on didactic material, maintenance of infrastructure, equipment and other related expenses except teachers' salaries, which continue being paid directly by MINED through its departmental offices. The size of the bonus is based on the number of sections per school[5]. By law, the CDE is allowed to contract services based on their needs but hire personnel and pay additional economic incentives unless non-state fund are used towards such end. The

[5] The number of sections in a school may range from 1 to 50 or more. About 80% of public schools have at most 12 sections. Schools with fewer sections are given a relatively larger amount of funds.

decentralization of decision-making power from the state to the CDEs is supposed to be conducive to improving the cost-efficiency and cost-effectiveness of state investments in education.

But, there are some problems related to this new model of school administration in the public system. Since state funds are neither based on the number of students per section in each school nor are they fungible, CDEs are likely to operate under financial constraints, which may be worsened by their limited power to allocate public monies based truly on existing institutional needs. Consequently, the CDE is likely to look for other sources of financing through both fundraising and income-generating activities. Limitations over school autonomy somehow preclude the expected allocative efficiency within schools and existing financing mechanisms tend to produce inequities between them; i.e. relatively wealthier communities would be more likely to supplement state funds to schooling. Other difficulties associated to the new school administration model are lack of participation from parents and students, little attention to pedagogic aspects of schooling and resistance to change (Guevara, et al. 2000; Lardé de Palomo, et al, 1998).

3.3.7. Contracting not-for-profit private organizations to administer public education

The relative success of EDUCO program in expanding quickly education supply in rural areas and ITCA's privatization, have made of contracting private administration services one of the major education reform's strategies to improve access and education quality. Interestingly, the same privatization strategy is being used for two different purposes at each education level. At the basic level, EDUCO is one of the most important programs to increase enrollments in the poorest rural areas by encouraging the administration of publicly financed schools by non-profit parents associations (ACEs). At the postsecondary level, in contrast, the same strategy is a means by which the efficiency and effectiveness of public technical institutions can be increased by following market rules and management principles of private foundations. Because of the reform, as of today there are

about 1,640 parents' associations leading schools in rural areas, and all official postsecondary technical institutions are being administered by private foundations[6].

The implementation of contracting out private organizations to administer public education has been adjusted to the context and particular needs at each education level. Although similar in their most general demands, the contracts between MINED and both types of private association are different in some specific aspects. For example, while contracts between ACEs and MINED to run EDUCO schools last only one year, those involving postsecondary technical institutions and private foundations may be valid for up to 50 years. Additionally, unlike ACEs, which are expected to provide free basic education services in rural areas, private foundations managing postsecondary technical institutions may be mandated to offer a minimum number of scholarships and provide job placement services to graduating students. MINED has a more vigilant position towards EDUCO schools than postsecondary technical institutions for at least three main reasons. First, EDUCO is the most important government's initiative to provide education to the poor in rural areas. Second, parents with few years of education and little or no experience in administration are usually in charge of EDUCO schools. And, third, ACEs unlike private foundations are not carefully selected by MINED to administer education services on the basis of their proven experience, resources available and commitment to improving education. ACEs are not chosen through a bidding process, they are born where there is a manifest need of a school and a group of parents willing to run it. Private foundations have not only greater autonomy but also greater potential to supplement public funds than ACEs. Thus, while the share of state funds in EDUCO schools tend to be large, that one in postsecondary technical institutions is relatively small[7].

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[6] The Instituto Técnico de Zacatecoluca, Instituto Técnico de San Miguel, Instituto Técnico de Santa Ana and Instituto Técnico Centroamericano (ITCA) are administered by Fundación Empresarial para el Desarrollo Educativo (FEPADE). The Instituto Técnico de Sonsonate and Instituto Técnico de Chalatenango are administered by Fundación AGAPE; and the Instituto Técnico de Usulutan is run by Fundación de Exalumnos del Instituto Técnico Ricaldone.

[7] In ITCA, for instance, only 33% of their funds come from the state nowadays.

Although it is premature to know exactly the benefits of contracting private foundations to administer postsecondary institutions, it is argued that this effort has played an important role in revitalizing technical education by rising investments in the sub sector, improving quality, and reversing decreasing enrollment trends. The main limitations of the strategy, on the other hand, are associated to the state's inability to provide adequate financial support so as to prevent increases in tuition fees and contribute to modernizing existing infrastructure and equipment[8]. A review on the benefits and limitations of EDUCO is reserved for a section ahead.

3.3.8. Consolidating a privatized system of teacher education

Current reform plans in teacher education are aimed at improving and redefining the privatization of this sub sector initiated in 1980. Even though regulating the provision of teacher education is now an imperative within the education agenda, going back to a centralized model of education delivery as a way of improving quality is no longer an option. At the government level, not only has the conception of state changed, but also budget constraints have justified the consolidation of a rather privatized system of teacher education. Consequently, in compliance with the reform plan 1995-2005, MINED has replaced the wide range of teacher education programs for a common one and restricted its implementation to one public university and sixteen private institutions. Nowadays, about 75% of the enrollments are in the private sector, which has also been keen in providing in-service teacher training as well. In fact, within the framework of the reform, several private universities and non-profit foundations have been contracted by MINED to offer in-service training to both teachers and principals from public schools.

The definition of roles between MINED and the private sector is expected to maximize teacher education's quality at the lowest cost for the state. MINED is responsible for regulating and monitoring the provision of teacher education, but it is unable to inhibit the financial and

[8] Based on an interview with Ernesto Antonio Gomez, General Administrator, FEPA, and Any Machuca, Coordinator of Postsecondary Technical Education, MINED. August, 2000.

administrative autonomy of private institutions beyond the parameters established in the Higher Education Law. The teacher education system relies on the managerial and financial capacity of private institutions to increase the overall productive efficiency. Yet, some of the potential drawbacks of such policy option have to do with the relatively high cost of private teacher education and nonexistence of student assistance programs based on economic needs. Moreover, it is unclear to what extent conflicts of interests between the state and the private sector may affect negatively the quality of teacher education.

In general, the education reform plan 1995-2005 integrates a varied range of decentralization and privatization policies. Among the ones described above, the first two are decentralization policies. The last two, in contrast, promote privatization although in different ways. Contracting non-profit private organizations to administer education services has to do with the privatization of an institutional domain. In the case of the teacher education, there is privatization of the system in the sense of relying almost entirely on the private sector to provide and finance the service. Privatizing the administration of public educational institutions is the most complex strategy, and, therefore, the one that deserves further scrutiny. Considering the importance of EDUCO in the Salvadoran education reform, a critical review of its impact on rural education is presented next.

4.0. Reviewing the impact of EDUCO on rural education

EDUCO is a public program that encourages the creation of schools that are not strictly public. In accordance to existing education laws, official public schools are only those simultaneously administered and financed by the state through the CDEs[9]. Through EDUCO, the provision of education services is transferred to Community Education Associations (ACE), which are non-profit private associations of social service. They are constituted by a group of parents and other representatives from the community.

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[9] See Ley General de Educación 1997 p. 25 ,27, p. 38 (Art.110); and Ley de la Carrera Docente 1996 p.52 Art. 48

The objectives of EDUCO are expanding the supply of preschool and basic education in the poorest rural areas, encouraging community participation in the administration of education, and improving education quality

4.1. Norms and regulations of the ACE

The norms and regulations of ACEs are part of a presidential decree[10] that allows the provision of education services jointly with the state. Each ACE signs a partnership agreement with MINED, and the latter contracts ACE to administer schools at the local level. ACEs can be created in communities with a school population of twenty-eight students per grade and in places where there is no other education service available. They should be lead by a directing board integrated by five members elected by public vote for a two-year period. The legal representative of ACE is the president of the directing board, which is accountable to the General Assembly, the maximum decision making authority.

ACEs are contracted by the state to administer education services on an annual basis. The former should provide education services in exchange for state financial and technical support. The monthly state funds for each EDUCO school are determined depending on the number of teachers and school sections but the number of students. They are not fungible and shall cover teacher salaries, fringe benefits, teachers' life insurance, a teachers' year-end bonus, classroom material, and a one-time disbursement made when an EDUCO section is first opened. EDUCO schools also receive an annual bonus (Bono de la Calidad) that covers expenditures in maintenance of infrastructure and equipment. The incentives of the ACE to provide education services are not economic but social; i.e. ACEs are not paid for administering services, their incentive is improving the socio-economic situation of the community through education.

[10] Decree No. 43, Reglamento Especial de las Asociaciones Comunales para la Educacion, Diario Oficial. Tomo No. 339. Jueves 30 de Abril, 1998. Numero 78.

ACEs are responsible for providing free education services, administer state funds efficiently, hire teachers on an annual basis and support staff, and purchase classroom and school materials. ACE should also guarantee an average of twenty-eight students per class and twelve students for each special education class. They should deliver the national curriculum and preserve an adequate level of education quality. Parents Schools should also be offered on a regularly basis as a strategy to educate parents in how they could enhance the learning process of their children at home and develop associative skills among community members. ACEs also have the obligation of supplementing state funds with their own human and material resources. Their operations are evaluated each year by MINED, which decides whether the contract between both parties should be extended.

4.2. Assessment

EDUCO has gained both national and international recognition for it promises to be a good policy option to improve education. At the international level, EDUCO has already been honored with the World Bank's Presidential Award for Excellency (1997), and the Inter-American Bank has openly recognized EDUCO as a successful experience of community management in education. At the national level, from the government's perspective, EDUCO is always presented as an innovative and concrete strategy to solve some of the essential education problems in the country. Where traditional public schools seem to be unable to guarantee a permanent presence of teachers in rural schools, EDUCO is now the preferred alternative. The key, according to the government, is to give communities the power of hiring teachers and administering public funds to improve schooling (MINED, 1997b).

The program's success is often attributed to its origin and inherent characteristics. It is a program that was born from the bottom- up; i.e. from the ingenious experience of poor rural communities to respond to their own education needs; and, as such, it is deemed a reliable solution to expand education supply. The government asserts that it has been tailored to support

communities' capacity in providing education services; and, lastly, that EDUCO facilitates community building, fosters greater social cohesion and institutionalizes democratic participation.

But, to what extent can EDUCO solve some of the major education problems in El Salvador? Can privatizing the administration of schools in rural areas produce all expected benefits? To discover the capacity of the EDUCO program to improve education, four major criteria of evaluation are here used: access, productive efficiency, equity and social cohesion. These criteria are a slightly modified version of those used by Henry Levin (1999) to assess the impact of a privatization strategy on education[11]. Based on them, a critical review of existing evidence on the impact of EDUCO on rural areas shows the following:

4.2.1. Access

One of the major achievements of EDUCO has been its contribution to expanding educational supply in rural areas. As shown in Table 1, by 1998, there were about 6,448 classrooms and 4,370 teachers working under the supervision of 1,640 parents' associations.

Table 1. Growth of the EDUCO program 1991-1998

Years	Enrollments (K-9 grade)	ACE	Teachers	Sections
1991	8,416	236	263	263
1992	32,288	845	1,009	1,009
1993	41,952	871	1,311	1,311
1994	74,112	1,334	2,316	2316
1995	113,728	1,341	2,919	3,554
1996	168,928	1,700	3,884	5,279
1997	193,984	1,705	4,196	6,602
1998	206,336	1,640[12]	4,370	6,448

Source: Ministry of Education, El Salvador

[11] To assess this particular program and its impact on rural education in a developing country, I prefer to use "access" instead of the criterion of "freedom of choice" proposed by Levin.

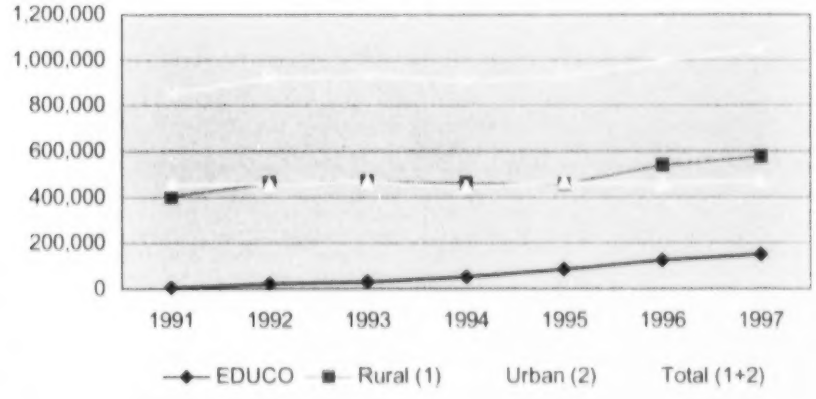
[12] The number of ACEs decreases because in some schools were ACEs and CDEs co-existed only one type of school prevailed. In some cases EDUCO sections were absorbed by the traditional system of schooling, in others, CDEs were turned into ACEs.

And, for the period between 1991 -1998, the enrollments in EDUCO schools grew from 8,416 to 206,336 students, which represents about 25% of total public enrollments and 40% of rural enrollments from preschool to basic education in the public sector.

The greatest impact of EDUCO has also been on the first six out of nine years of primary school and preschool education. In 1997, at the preschool level, EDUCO served 20, 537 students more than traditional public schools in the rural area; and, about 73% of total enrollments in the program were clustered between first and six grade. Increases in access to education have also been larger among poor children between 5-7 years of age between 1991 and 1996 (Carrasco, 2000). This result is not surprising given that the main focus of the education reform's expansion policy was on the first years of schooling. In general, as reported by the Ministry of Education, net enrollments from first to six grades increased from 82 to 84 percent between 1995 and 1998 (MINED 2000; MINED 1995).

Figure 2

Enrollments in primary education: Public Sector



Source: Based on data from the Ministry of Education, El Salvador

As shown in Figure 2, while enrollments in EDUCO increased relatively fast between 1991 and 1995, total enrollments in public primary education experienced a very low average annual rate

of growth (2%). The greater effect of EDUCO on total enrollments in public basic education seemed to have occurred after 1995, when rural enrollments grew at an average annual rate of 12 percent. They were even about 22% higher than urban enrollments by 1997.

However, although of great significance, the impact of EDUCO on enrollments in public education is modest. In spite of EDUCO's contribution to expand educational opportunities, the socio-economic conditions of the rural population are still a major hindrance to achieve universal education. Only 66% of the rural population between 7-18 years of age attends school. Data from a national household survey reports that children between 7-15 years of age do not enroll in school because of lack of economic resources (31%), work (12%) and lack of interest in education (16%) (DYGESTIC, 1997). By 1998, about 18% of children in the official age group were still out of primary school. Not even has a program like EDUCO been able to facilitate access for all children in rural areas. Clearly, an expansion of education supply alone is unable to overcome the limitations of the poorest families to access education.

4.2.2. Equity

EDUCO is a program that focuses resources on the poorest and most isolated rural communities in the country. It has mainly been implemented in municipalities with low net enrollments and a high percent of poverty, rural population, overage students in grades 1-9 and undersize children. The children enrolled in EDUCO come from families with lower socioeconomic backgrounds than those of children in traditional public schools. About 39% of EDUCO children's households have electricity and only 18% have piped water. 70% of their households do not have built floors and only 3% have sanitary services available. 71% of traditional schools' households, in contrast, have electricity. 37% have piped water and 51% of their houses have built floors. Indeed, the program has made serious efforts to benefit those in greater socioeconomic disadvantage, and, in that sense, it is being argued that it has improved equity in education (Jacir de Lovo, Op. Cit).

Yet, EDUCO has the potential to exacerbate existing inequities in rural areas. Although MINED has insisted in eliminating tuition, fees and school uniforms in order to improve equity in access, data available shows a different picture. It is estimated that about 29% of parents having a third grade child in EDUCO schools pay tuition and 60% spends money in school uniforms. Moreover, 87% and 16% of them have reported to spend money on school supplies and textbooks respectively. Although there are proportionally more parents from traditional rural public schools paying for all these costs (60% pay tuition, 75% school uniforms, 92% school supplies and 30% textbooks), Table 2 shows that, among those who pay, differences in average private expenditures in tuition and fees are slightly higher in EDUCO than traditional public schools[13].

Table 2. Average private expenditures in education of a child in 3rd grade. Rural schools. 1998

Private expenditures	EDUCO	Traditional public schools
Tuition	37.18 Colones	26.02 Colones
Monthly fee	21.50	13.26
Social fee*	12.76	11.77
School uniform	142.08	158.58
School supplies	66.94	99.86
Textbooks	30.7	38.16

* Social fees are household contributions to the school

It is important to add that according to MINED, EDUCO schools are not supposed to impose school fees and school uniforms; however, ACEs are allowed to determine school fees and other requirements as long as community members agree on that. In any case, contrary to MINED's original intention, not all EDUCO schools are free of charges, and school access for some children

[13] Results based on data from *Linea de base de Centros Escolares, El Salvador 1998*. Direccion Nacional de Evaluacion, MINED. It is a dataset with information collected from students, parents, teachers, principals and directing board members. The total sample has 1524 students in 312 schools (urban and rural). From the rural area, there are 986 students in 57 EDUCO schools and 173 traditional public schools.

may continue depending on their parents' ability to pay tuition and cover other private costs of education such as daily uniforms, school supplies and textbooks.

From another view, the existence of tuition and fees among EDUCO schools is a sign that some of them have greater capacity than others to generate funds from these charges and even from other means to supplement government financial support. Based on data from MINED [14], about 59% of ACE members reported to have had organized activities to collect additional funds for the school in 1998. And, a qualitative study done by Lindo (2000) shows that there is not only variation in the resources available across communities participating in EDUCO, but also the existing ones are often so limited that many of them are forced to seek external funds from non-profit organizations, the municipality, and other schools in the region. Thereby, it is reasonable to expect that variations in school resources will also depend on the external environment and the managerial capacity of ACEs to gain support from outsiders. It may be argued that there are inequities in resources available to education depending on the economic conditions and wealth across rural communities.

Finally, it has been estimated that parents contribution in EDUCO schools is equivalent to the full-time work of 805 people in one year, which represents about 28% of the work done by all MINED's administrative and support staff assisting all public schools. A conservative estimate of the value of community participation in maintenance of infrastructure and other activities in the schools is equivalent to 335,680 dollars (Jacir de Lovo, Op. Cit.). Undoubtedly, greater participation of parents in managing schools brings along more resources for education either in the form of money, time, labor and skills. The issue, nonetheless, is to what extent such contribution is rather an economic burden for the communities participating in EDUCO; and, whether state funds are adequate not only to avoid inequities but also to maintain a reasonable quality in the provision of

[14] Ibid

education across all schools. This matter gains further relevance after considering that EDUCO schools are relatively more lacking of adequate infrastructure and resources than traditional public schools. In 1998, for instance, it was estimated that about 61% of EDUCO schools did not have electricity and 74% did not have piped water. Among traditional public schools in the rural area, in contrast, the same percentages represented only 15% and 48% respectively[15].

There seems to be significant variability in the amount of resources available across EDUCO schools due to variations in parents' contribution, socioeconomic conditions of the communities, and managerial capacity of ACEs to seek supplementary funds. Further research is needed to measure such variability, explore its causes and design proper mechanisms to reverse the potential negative effect of EDUCO on equity.

4.2.3. Productive efficiency

One of the most captivating questions about the EDUCO program is whether it is capable of enhancing school outcomes at the lowest cost in comparison to other education alternatives. In spite of its importance, this question has not a definite answer as of today for evaluations on the EDUCO program have mainly examined its effectiveness in improving education regardless of its actual costs. And, although there is greater understanding about what some of the aspects influencing education quality in EDUCO schools are, it is still unclear to what extent EDUCO has a comparative advantage over traditional public schools.

An evaluation study conducted in 1997 reported that there were no significant differences in academic achievement in language and mathematics between EDUCO and traditional public schools – without controlling for other factors (MINED, 1997a). According to that study, EDUCO students not only came from families with lower socioeconomic but also had higher drop out rates (12%) than those enrolled in traditional public schools. Interestingly, they counted with better classroom resources (textbooks and school libraries) and their teachers were more responsible and work

[15] Ibid

relatively harder. 73% of EDUCO teachers even reported that they do home visiting when students miss more than two weeks of schools. There was also found that, in spite of having relatively lower academic background, EDUCO parents helped their children to do homework as much as those with children attending traditional public schools. Based on these facts, it was concluded that the factors that might balance achievement results between both types of schools were variations in parents' participation, classroom inputs, and teachers' effort.

Within the same framework, Jimenez and Sawada (1999) conducted regression analysis to determine how transferring responsibility to communities and schools affects student outcomes. Using MINED's data from 1996[16], they compared the effects of different variables on the academic achievement of 605 students in 30 EDUCO schools and 101 traditional public schools. They found that after controlling for participation and students, school and community characteristics, the similarity in the mean achievement scores of both types of schools was only apparent. They concluded that EDUCO has not lowered achievement but improved language scores. They also discovered a positive effect of EDUCO on reducing students' absence and a significant effect of classroom inputs on academic achievement. Thereby, parents' involvement in school management seemed to be an appropriate way of improving education in poor communities.

Their measure of the size of the effect, however, may be questionable. To correct for potential selection bias, endogenous program participation was estimated assuming that parents' choice of school type was not affected by direct costs of schooling (tuition, books and other fees). They assumed that only students in traditional schools bore with all of these costs; and, although EDUCO parents spent a significant amount of time in school management, maintenance of infrastructure and other related activities, variations in costs offset each other for both types of schools. Recent data, however, has revealed that not all EDUCO schools are free of school charges,

and that differences in parents' participation may also produce inequities across communities. Since differences in private costs of education are not considered, the results may not be accurate. As they also admit, their measure on the EDUCO's advantage in language might not be very precise since the estimate of the EDUCO effect varies depending on the specification of the participation equation. The EDUCO effect was also lessened with the addition of school inputs, which shows that a portion of the variance in achievement may be due to variations in school characteristics. It is possible that since their analysis is based on Ordinary Least Square regression, the nested structure of education data was not captured adequately and the measure of the EDUCO effect on achievement might not be satisfactory. It would be valuable to test the validity of present results taking into account the hierarchical nature of data as well.

Sawada (2000) has explored the relationship between community participation, teacher effort and educational outcomes using data from 1996, which consisted of a sample of 594 students in 30 EDUCO schools and 99 traditional public schools. Based on a principal (parental association)-agent (teacher) model and the use of an "augmented" reduced form educational production function for the analysis, he concludes that community involvement, as a major organizational input, seemed to enhance teacher effort. Sawada argues that EDUCO teachers receive a piece rate payment depending on their performance, which is monitored by parents association. Thereby, community participation has a positive effect on teachers' performance through creating an adequate teacher's wage compensation scheme. Since teachers from traditional schools have a fixed wage scheme and they are hired by the state, they may develop uncooperative attitudes towards parents and students and be less productive than EDUCO teachers.

In this study, unfortunately, variations in teacher effort due to differences in job stability are not considered. Because EDUCO teachers are hired on a yearly basis, their superior performance

[15] *Línea de Base de Centros Escolares*, 1996. A dataset with a random sample of 311 schools from a total population of 3634

may not necessarily be the consequence of an adequate wage compensation scheme. Job retention in a labor market with limited opportunities for job mobility may well be the major cause of a relatively higher productivity. Contrary to this view, Moncada-Davidson (1995) affirms that the absence of job security lowers the quality and performance of EDUCO teachers instead of increasing it. As she asserts, the fact that unlike their colleagues in traditional public schools, EDUCO teachers do not have a permanent job position and keep longing for it may exert a deleterious effect upon the quality of their teaching.

The level of community participation and teacher effort could have also been overestimated by not taking into consideration that, as of today, parental associations have shown limited progress in defining a system of incentives of their own (Cerna, 1999); and, that by determination of MINED rather than the parents associations, EDUCO teachers' salary is generally 5% higher than that of teachers in the official sector. In addition to that, all other portions of funds transferred to the community are fixed by MINED as well and are not fungible[1]. Therefore, it may not be quite correct to assert that parents associations in EDUCO schools can allocate freely state funds and change the reward structure easily. Sawada's study is a valuable one for it shed more light on how community participation may enhance the productive efficiency of schools; but other aspects should be added to the analysis to depict with greater accuracy how the relationship between community participation and teacher effort operates in practice.

Other evidence available shows that variations in performance levels of EDUCO schools may be due to the degree and kind of parents' participation in school management rather than households' socio economic status. For instance, more participation may imply more resources available for classroom material, hire more teachers in order to reduce class size, and provide other inputs that have a direct impact on learning. But, parents' participation in poorer schools may be in

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primary schools.

the form of labor for maintenance of infrastructure, which may not necessarily have an effect on academic achievement (Lindo, Op. cit). Likewise, some ACEs tend to focus more on the financial management of the school rather than the actual education aspects that have a direct impact on learning (Cerna, Op. cit; MINED, 1996).

As it was mentioned before, there is greater knowledge on the effectiveness of EDUCO schools compared to traditional public schools in rural areas. But, further research is required to measure with greater accuracy the true effect of EDUCO on improving education quality. To fully determine the advantages of EDUCO in the delivery of education services in rural areas, the cost-effectiveness and cost-efficiency of EDUCO in comparison to other education alternatives must also be examined.

4.2.4. Social cohesion

EDUCO is highly valued for its potential to foster community building, social development and democracy. The program is based on participatory principles where the school operates as a community center for education and social development. It has encouraged closer relationships between school and community by opening new channels for communication and dialogue between them (Mora, 1992). Within the program, participating communities have indeed the opportunity to reinforce their sense of belonging and gain experience in managing community development projects (Diaz, 1992). Many ACEs have been engaged in activities to improve roads, water and electric supply; and, some have acquired land and participated in school construction, health programs and agricultural projects.

EDUCO is considered the first space for civil participation institutionalized by the state to encourage the democratization process in the country (Jacir de Lovo, Op. Cit). ACEs are representative organizations elected through vote and accountable to the General Assembly conformed by all community members. Furthermore, democratic participation in community affairs

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[17] Based on an interview with technical support staff members, EDUCO program, MINED. August, 2000.

is also promoted through the parents' schools, which have been created in 95% of EDUCO schools by 1998.

The degrees of community participation, nevertheless, vary across communities. Some of the factors determining the extent of participation are the degree of community identification, common history, type of participation incentives, and the value of education given by the people. Interestingly, while EDUCO purports greater social cohesion, its success depends greatly on the existing social capital. Leadership and parents participation may hinge on time availability and motivation to participate. Besides, there seems to be a linkage between parents' occupations and skills to work in association. As a study shows, EDUCO schools with lower achievement and management capacity have a community based mostly integrated by fishermen and individual agriculture workers. Most parents in successful schools, in contrast, work in agriculture cooperative associations, have urban occupations or are small landowners (Lindo, Op. cit). The potential effect of EDUCO on fostering greater social cohesion is undeniable, but existing social and economic structures may be shaping the impact of EDUCO schools across communities in ways that have not been fully explored.

4.3. Assessing the overall experience

Less centralization and privatization in the provision and/or financing of education is expected to promote greater efficiency, responsiveness to local demands, improvements in education quality and higher levels of participation in decision-making processes. Yet, there are many mechanisms to decentralize and privatize education and they may affect it differently.

In El Salvador, decentralization and privatization policies have produced multiple results. The institutional modernization has been successful in redefining MINED's role and renovating the legal base and organizational structure of the education system. The new model of school administration through CDEs, promises not only to change the organizational culture within each institution but also to make it democratic, efficient and responsive to local demands. Simultaneously,

the privatization process has fostered greater participation of private sector agents in education by either supplying specific services to the state or becoming, with explicit governmental approval, the major providers of education; which is the case of the privatization of teachers' education. As a result of these policies, the supply of basic education in rural areas has been increased, postsecondary technical institutions have been renovated, and the system of teacher education has been improved. Furthermore, a large amount of private resources to sustain government efforts to improve education have been mobilized. Yet, although decentralization and privatization policies have given the Salvadoran government new ways to exert control over the education system, they have added new problems and challenges as well.

First, the decentralization of tasks and responsibilities between and within different government units seems to be handicapped. On the one hand, it has gone at a faster pace than the development of a sustainable information and communication system that helps the renewed organization work competently. In addition to that the existing monitoring system lacks of enough personnel and experts who based on collected information assist policymakers in the design of innovative solutions to existing education problems. On the other hand, at the school level, such decentralization has not given CDEs, the new management body of traditional public schools, sufficient autonomy to allocate state funds according to their needs. Perhaps, this is only the result of a gradual process of power-transfer; but if not, the possibilities of increasing the cost efficiency of educational investments are lessened.

And, second, it seems that decentralization and privatization policies as they have hitherto been implemented may exacerbate existing inequalities within the education system. The promotion of school-based management and the inadequacy of the actual school finance formula for traditional public schools are indirectly encouraging the mobilization of larger private resources to education. Consequently, it may be expected that there would be variations in resources available across schools

depending on differences in local wealth and CDEs' management capacity to obtain additional resources. The challenge, then, is for the government to modify the school finance formula and identify additional mechanism to promote equity in the amount of resources available to education for all students across public schools.

The privatization of both postsecondary technical institutions and teacher education has also had an impact on equity in access due to increases in tuition costs. The government has not concretized yet any effort to assure equal access opportunities for low-income students interested in becoming teachers partly because the priority has so far been to improve quality of education and reduce the supply of teachers in the labor market. In the case of postsecondary technical institutions, in contrast, the contracts between MINED and private foundations administering these institutions mandate the establishment of merit-based scholarship programs for low-income students; and, therefore, inequities in access are somehow prevented. Furthermore, considering that the motives of not-for-profit private foundations to administer postsecondary institutions are not economic but social, they do their best effort to facilitate equal access to this type of education. For the most part, it seems that the privatization of both postsecondary technical education and teacher education has been a satisfactory policy option in El Salvador.

In the case of EDUCO, although this privatization strategy has successfully contributed to expanding education supply and promoting social cohesion, its impact on access, quality and the amount of resources invested in education may not exactly be like the one expected. EDUCO's contributions to expanding education opportunities for the poor may be lessened due to the socio-economic conditions of the rural population that is unable to cover minimum education costs, including the opportunity cost of education. In El Salvador, education access does not depend mainly on having more and better schools. Implementing supply-side policies alone does not guarantee equal access to schooling for all. Demand-side education policies may also be needed to

maximize the relative success of EDUCO in improving access. In the same line, incorporating the EDUCO program within regional economic development plans may also enhance the benefits of the state's investment in education. A study done by Kandker (1996), for instance, shows that complementary development policies in rural villages in Bangladesh yielded beneficial effects on school access and attainment rates.

In terms of equity in educational investments, the evidence available suggests that there may be significant variations in the amount of resources available across EDUCO schools. Inequities across schools may be due to differences in parents' contribution, socioeconomic conditions of the communities, and managerial capacity of ACEs to seek supplementary funds. Moreover, since government funds are fixed based on the number of school sections, it is very likely that smaller schools with larger enrollments are under financed. To allow community-financing bridge the gaps in schools starved of government funds may result in schools with very poor quality and communities with greater social imbalances (Bray, 1996). The financing mechanisms of EDUCO need to be reviewed and complementary policies need to be implemented in order to reverse the possible negative effects of EDUCO on equity.

Lastly, it is still unclear whether EDUCO schools have a comparative advantage in relation to traditional public schools. At most, there is greater understanding about what could be some of the factors influencing education quality in these schools. Parents participation is supposed to be crucial in this model of education delivery, but this one may not be the most competent to enhance the teaching and learning process. Some parents associations may be committed to serve the community, but they may lack of sufficient knowledge and expertise to evaluate and enrich pedagogic processes within the school. Besides, how much time members of a community living under severe poverty conditions may really have to manage a school and improve it? Perhaps, many of them only invest a marginal time in solving the problems of the school since satisfying their basic

living needs is likely to be a priority. Further research is required to measure with greater accuracy the true effect of EDUCO on improving academic achievement and learning, and at what cost for both the state and the community. If the EDUCO program were unable to improve education quality at least at a level comparable to traditional public schools, transferring the responsibility of administering schools, and, perhaps, even a burden to some poor communities, might not be the best alternative to advance learning.

Decentralization and privatization strategies, like any other policies, have their pros and their cons. I believe, in El Salvador, the education reform has been a serious attempt to solve the major education problems. There are some achievements but greater are the challenges. Regarding the privatization of education within the Salvadoran reform, it is obvious that neither it should be seen as a panacea nor it refers to a unique strategy. Like any other policy option, privatization strategies have trade offs; and, some of them may work better than others in some particular contexts and at particular education levels. There may never be a perfect policy to solve satisfactorily all weaknesses within an education system; but education advocates and policymakers should always be committed to review existing practices and improve them.

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